B. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed Equity Interests and the respective Plan Distributions and treatments under the Plan shall give effect to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Plan Proponents, with the consent of each of the New Investors, reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto. For the avoidance of doubt, the Prepetition Inc. Facility Lender Subordination Agreement shall be enforceable as a subordination agreement under section 510(a) of the Bankruptcy Code.

C. Compromise and Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Plan Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, Causes of Action, and controversies resolved pursuant to the Plan and relating to any contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any Plan Distributions to be made on account of such an Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests, Causes of Action, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims or Equity Interests and is fair, equitable, and reasonable. Plan Distributions made to Holders of Allowed Claims or Equity Interests are intended to be final. In accordance with the provisions of the Plan, pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, the Canadian Court, or any other Entity, after the Effective Date, New LightSquared may compromise and settle Claims against, or Equity Interests in, the Debtors, and Causes of Action against other Entities; provided that, any settlement with respect to Claims against, or Equity Interests in, or any Causes of Action against any Reorganized Inc. Entity shall require the prior approval of Reorganized LightSquared Inc. In addition, and for the avoidance of doubt, entry of the Confirmation Order shall also operate to settle all claims and causes of action alleged in the Standing Motion against the Prepetition Inc. Agent and the Prepetition Inc. Lenders in respect of the Prepetition Inc. Facility Subordinated Claims, and the Standing Motion, to the extent not previously withdrawn with prejudice, shall be deemed withdrawn with prejudice upon the occurrence of the Inc. Facilities Claims Purchase Closing Date.

D. Releases by Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring transactions contemplated by the Plan, on and after

the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors or the Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Debtors, the Prepetition Facilities, the DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements (including the Plan Support Agreement), instruments, or other documents, any of the Debtors' regulatory efforts (including, without limitation, change of control applications) upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.

E. Exculpation

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, Cause of Action, or liability for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Confirmation or Consummation of the Plan, the Disclosure Statement, the Plan Documents, or any contract, instrument, release, or other agreement, or document created or entered into in connection with the Plan (including the Plan Support Agreement), any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, or any other prepetition or postpetition act taken or omitted to be taken in

connection with, or in contemplation of, the restructuring of the Debtors, the approval of the Disclosure Statement, or Confirmation or Consummation of the Plan, except for (1) willful misconduct (including fraud) or gross negligence and/or (2) the rights of any Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under, or in connection with, the Plan, or assumed pursuant to the Plan, or assumed pursuant to a Final Order, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the Securities pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

F. Third-Party Releases by Holders of Claims or Equity Interests

Except as otherwise specifically provided in the Plan, on and after the Effective Date, to the fullest extent permissible under applicable law, (1) each Released Party, (2) each present and former Holder of a Claim or Equity Interest, and (3) each of the foregoing Entities' respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, members (including ex-officio members), officers, directors, principals, managers, trustees, employees, partners, attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, consultants, agents, and representatives (in each case, in his, her, or its capacity as such) (each of the foregoing parties in (1), (2), and (3), a "Releasing Party") shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Released Parties from any and all claims, interests, obligations, rights, suits, damages, Claims, Equity Interests, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that each Releasing Party would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Debtors, the Prepetition Facilities, the DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements, instruments, or other documents, any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control

applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence; provided, however, that each present and former Holder of a Claim or Equity Interest voting to reject the Plan may reject the third-party release provided in this Section VIII.F by checking the box on the applicable Ballot indicating that such Holder opts not to grant such third-party release.

Notwithstanding anything contained herein to the contrary, the third-party release herein does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.

G. Injunctions

Except as otherwise expressly provided in the Plan, or for obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been released pursuant to Section VIII.D hereof or Section VIII.F hereof, discharged pursuant to Section VIII.A hereof, or are subject to exculpation pursuant to Section VIII.E hereof are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtors or the Reorganized Debtors: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim or proof of Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests released or settled pursuant to the Plan. Nothing in the Plan or Confirmation Order shall preclude any Entity from pursuing an action against one or more of the Debtors in a nominal capacity to recover insurance proceeds so long as the Debtors or Reorganized Debtors, as applicable, and any such Entity agree in writing that such Entity shall (1) waive all Claims against the Debtors, the Reorganized Debtors, and the Estates

related to such action and (2) enforce any judgment on account of such Claim solely against applicable insurance proceeds, if any.

H. Release of Liens

Except as otherwise provided in the Plan, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, (1) on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and (2) in the case of a Secured Claim, upon satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, discharged, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledge, or other security interests against any property of the Estates shall revert to the Reorganized Debtors and their successors and assigns. The Reorganized Debtors shall be authorized to file any necessary or desirable documents to evidence such release in the name of such Holder of a Secured Claim.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION DATE AND EFFECTIVE DATE OF PLAN

A. Conditions Precedent to Confirmation Date

It shall be a condition to the Confirmation Date of the Plan that the following conditions shall have been satisfied (prior to, or in conjunction with, entry of the Confirmation Order) or waived pursuant to the provisions of Section IX.C hereof:

1. Except as otherwise agreed by each of the New Investors, the FCC shall not have: (a) denied any Material Regulatory Request in writing on material substantive grounds; (b) denied any Material Regulatory Request in writing on any other grounds without affording the applicant or petitioner an opportunity to submit a substantively similar request without prejudice; or (c) otherwise taken action so as to preclude a reasonable prospect of satisfying any FCC Objective.

2. The Bankruptcy Court shall have entered the Confirmation Order.

3. The Bankruptcy Court shall have entered the Disclosure Statement Order and the Canadian Court shall have entered the Disclosure Statement Recognition Order.

4. The Plan Support Agreement shall be in full force and effect.

5. The New DIP Orders shall have been entered contemporaneously with the Confirmation Order.

6. The Standing Motion Stipulation Order shall have been entered by the Bankruptcy Court.

7. The JPM Inc. Facilities Claims Purchase Agreement shall have been executed and be in full force and effect.

8. The New Investor Commitment Documents shall have been executed and be in full force and effect.

9. The Prepetition Inc. Fee Claims and DIP Inc. Fee Claims shall have been paid in full in Cash

10. The Debtors shall have received (a) binding commitments with respect to the Effective Date Investments, (b) a highly confident letter with respect to the Working Capital Facility, in each case, on terms and conditions satisfactory to each of the New Investors and the Debtors, and (c) binding commitments with respect to the Cash portion of the Second Lien Exit Facility.

11. The New Investor Break-Up Fee and the commitment fee under the Second Lien Exit Facility Commitment Letter shall each have been approved by the Bankruptcy Court.

B. Conditions Precedent to Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived (upon agreement of each of the New Investors and the Debtors) pursuant to the provisions of Section IX.C hereof:

1. The Confirmation Order shall have become a Final Order.

2. The transactions contemplated by the JPM Inc. Facilities Claims Purchase Agreement shall have been consummated.

3. The New DIP Orders (a) shall have been entered and (b) shall have become Final Orders.

4. The New DIP Recognition Order shall have become a Final Order.

5. The New DIP Facilities shall have been funded, and there shall not be any default under the New DIP Credit Agreements or the New DIP Orders with respect to which the New DIP Agents or New DIP Lenders are exercising any rights and remedies against the collateral under such New DIP Facilities.

6. The Plan Documents, to the extent applicable to the transactions to be consummated pursuant to the Confirmation Order, shall have been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification that the Effective Date has occurred) contained therein shall have been satisfied or waived in accordance therewith, including, but not limited to:

   (a) the Working Capital Facility Credit Agreement and any related documents, in forms and substance satisfactory to New LightSquared,

each of the New Investors, and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and the incurrence of obligations pursuant to the Working Capital Facility Credit Agreement shall have occurred;

(b) the Second Lien Exit Credit Agreement and any related documents, in forms and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, the incurrence of obligations pursuant to the Second Lien Exit Credit Agreement, and the funding of all New Money Lender Commitments (as such term is defined in the Second Lien Exit Credit Agreement) shall have occurred;

(c) the Reorganized LightSquared Inc. Exit Facility and any related documents, in forms and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, and the incurrence of obligations pursuant to the Reorganized LightSquared Inc. Exit Facility shall have occurred;

(d) the New LightSquared Interest Holders Agreement, in form and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof; and

(e) the Debtors shall have sufficient Cash on hand to fund the Professional Fee Reserve and the Disputed Claims and Equity Interests Reserve.

7. The Canadian Court shall have entered the Confirmation Recognition Order and such order shall have become a Final Order.

8. All necessary actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

9. Except as otherwise agreed by each of the New Investors, the FCC shall not have: (a) denied any Material Regulatory Request in writing on material substantive grounds; (b) denied any Material Regulatory Request in writing on any other grounds without affording the applicant or petitioner an opportunity to submit a substantively similar request without prejudice; or (c) otherwise taken action so as to preclude a reasonable prospect of satisfying any FCC Objective.

10. The FCC, Industry Canada, and other applicable governmental authorities shall have granted any necessary consents and approvals required for the Debtors to emerge from chapter 11 pursuant to the Plan (including, without limitation and to the extent applicable, consents to the assignment of the Debtors' licenses and/or the transfer of control of the Debtors, as well as customary approvals and authorizations related thereto) and any statutory waiting periods shall have expired (including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the Competition Act* (Canada)).

11. The Plan Support Agreement shall be in full force and effect.

12. The Debtors shall have paid in full in Cash all New Investor Fee Claims.

13. The Harbinger Litigations shall have been assigned to New LightSquared.

14. The identity of the Chairman of the New LightSquared Board shall be reasonably acceptable to each of the New Investors.

C. Waiver of Conditions

The conditions to the Confirmation Date and/or the Effective Date of the Plan set forth in this Article IX may be waived by the agreement of each of the New Investors and the Debtors, without notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity; provided, that if the Inc. Facilities Claims Purchase Closing Date and payment in full in Cash of the DIP Inc. Claims has not yet occurred, the conditions to Confirmation set forth in Section IX.A may not be waived without the consent of MAST, other than Sections IX.A.1, IX.A.10, and IX.A.11.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF PLAN

A. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Plan Proponents (in accordance with the Plan Support Agreement, as applicable, and the terms of this Article X), reserve the right with the written consent of each Plan Proponent to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code; provided, however, that the Plan may not be modified or amended with respect to (1) a MAST Term or (2) Articles I, II, II.A, II.C, III, IV.A, IV.B.1, VI (solely as to such terms that pertain to MAST or the Prepetition Inc. Agent), VIII, IX.A, IX.C, X, XI (solely as to such terms that pertain to MAST or the Prepetition Inc. Agent), and XII hereof, without the prior written consent of MAST and the Prepetition Inc. Agent, which consent, in the case of clause (2), immediately above and when unrelated to a MAST Term, shall not be unreasonably withheld or delayed. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, and those restrictions on modifications set forth in the Plan and in the Plan Support Agreement, the Plan Proponents other than the Debtors (in accordance with the Plan Support Agreement or the terms of this Section X.A), expressly reserve the right to alter, amend, or modify materially the

Plan with respect to any Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court or Canadian Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, the Confirmation Order, or the Confirmation Recognition Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Section X.A.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order or Confirmation Recognition Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Plan Proponents, with the consent of each Plan Proponent, MAST, and the Prepetition Inc. Agent, in accordance with the Plan Support Agreement (or, in the case of the Debtors, the terms of this Section X.C), reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent chapter 11 plans. The Debtors reserve their right to withdraw support for the Plan at any time if it is determined that pursuing the Plan would be inconsistent with the exercise of their fiduciary duties; provided, however, that such withdrawal is without prejudice to the right of the other Plan Proponents to continue to seek confirmation and consummation of the Plan. If the Plan Proponents collectively revoke or withdraw the Plan, or if the Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claims or Equity Interests or Class of Claims or Equity Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void in all respects (provided, however, that the foregoing shall not apply to (x) the Standing Motion Stipulation and the withdrawal of the Standing Motion as to the Prepetition Inc. Facility Non-Subordinated Claims or (y) the JPM Inc. Facilities Claims Purchase Agreement or the New Investor Commitment Documents to the extent that the Inc. Facilities Claims Purchase Closing Date has occurred); and (3) nothing contained in the Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims or Equity Interests in any respect, (b) prejudice in any manner the rights of the Debtors or any other Entity in any respect, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity in any respect.

D. Validity of Certain Plan Transactions If Effective Date Does Not Occur

If, for any reason, the Plan is Confirmed, but the Effective Date does not occur, any and all post-Confirmation Date and pre-Effective Date Plan Transactions that were authorized by the Bankruptcy Court, whether as part of the New DIP Facilities, the purchases pursuant to the JPM Inc. Facilities Claims Purchase Agreement, the New Investor Commitment Documents, the Plan,

or otherwise, and any distributions made from proceeds of the New DIP Facilities, shall be deemed valid, in full force and effect, and not subject to revocation or reversal.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or relating to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim, of any request for the payment or Plan Distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code, and of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;

2. Decide and resolve all matters relating to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. Resolve any matters relating to the following: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Costs pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed, or assumed and assigned; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed, or assumed and assigned; and (d) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. Ensure that Plan Distributions to Holders of Allowed Claims and Allowed Equity Interests are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. Adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. Adjudicate, decide, or resolve all matters related to the Standing Motion Stipulation and Standing Motion Stipulation Order;

8. Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

9. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

10. To hear and determine any matters relating to, arising out of, or in connection with the implementation of the Working Capital Facility, the Second Lien Exit Facility, the Reorganized LightSquared Inc. Exit Facility, the Exit Intercreditor Agreement, the Reorganized Debtors Governance Documents, the Second Lien Exit Facility Commitment Letter, or any ancillary or related agreements thereto;

11. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

12. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Consummation or enforcement of the Plan, including the releases set forth therein;

13. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

14. Hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

15. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of Plan Distributions and the recovery of additional amounts owed by the Holder of a Claim or Equity Interest for amounts not timely repaid pursuant to Section VI.J hereof;

16. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

17. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

18. Enter an order or final decree concluding or closing the Chapter 11 Cases;

19. Adjudicate any and all disputes arising from or relating to Plan Distributions under the Plan or any transactions contemplated therein;

20. Adjudicate any and all disputes arising from or relating to the JPM Inc. Facilities Claims Purchase Agreement.

21. Adjudicate any and all disputes arising from, or relating to, the New Investor Commitment Documents.

22. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

23. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

24. Enforce all orders previously entered by the Bankruptcy Court; and

25. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Section IX.B hereof, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, the Confirmation Order, and the Confirmation Recognition Order shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Equity Interests (irrespective of whether such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties, or are subject, to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring or receiving property under the Plan, and any and all non-Debtor parties to Executory Contracts or Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan. For the avoidance of doubt, upon entry of the Confirmation Order the JPM Inc. Facilities Claims Purchase Agreement, and the New Investor Commitment Documents shall remain binding, subject to the terms thereof, regardless of whether the Effective Date occurs.

B. Additional Documents

On or before the Effective Date, the Plan Proponents may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the New Investors or the Reorganized Debtors, as applicable, and all Holders of Claims or Equity Interests receiving Plan Distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or appropriate to effectuate the provisions and intent of the Plan.

C. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall have entered the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor, any Plan Proponent, or any Plan Support Party with respect to the Plan or the Disclosure Statement, shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

D. Successors and Assigns

Except as expressly set forth in the Plan, the rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of each Entity.

E. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to:

the Debtors or the Reorganized Debtors, shall be served on:

LightSquared Inc.
Attn: General Counsel
10802 Parkridge Boulevard
Reston, VA 20191

Milbank, Tweed, Hadley & McCloy LLP
Matthew S. Barr
Steven Z. Szanzer
Karen Gartenberg
One Chase Manhattan Plaza
New York, NY 10005

the Special Committee, shall be served on:

Kirkland & Ellis LLP
Paul M. Basta
Joshua A. Sussberg
601 Lexington Avenue
New York, NY 10022

Fortress, shall be served on:

Fortress Credit Opportunities Advisors LLC
1345 Avenue of the Americas
New York, NY 10105
Kristopher M. Hansen

Stroock & Stroock & Lavan LLP
Frank A. Merola
Jayme T. Goldstein
180 Maiden Lane
New York, NY 10038

JPM Investment Parties, shall be served on:

JPMorgan Chase & Co.
Patrick Daniello
383 Madison Ave.
New York, NY 10179

Simpson Thacher & Bartlett LLP
Sandeep Qusba
Elisha D. Graff
425 Lexington Avenue
New York, NY 10017

Harbinger, shall be served on:

Kasowitz, Benson, Torres & Friedman LLP
David M. Friedman
Adam L. Shiff
1633 Broadway
New York, NY 10019

Centerbridge, shall be served on:

Centerbridge Partners, L.P.
Vivek Melwani
Jared Hendricks
375 Park Avenue, 12th Floor
New York, NY 10152

Fried, Frank, Harris, Shriver & Jacobson LLP
Brad Eric Scheler
Peter B. Siroka
Aaron S. Rothman
One New York Plaza
New York, NY 10004

MAST, the Prepetition Inc. Agent and/or the DIP Inc. Agent shall be served on:

MAST Capital Management, LLC
Peter Reed
Adam Kleinman
The John Hancock Tower
200 Clarendon Street, Floor 51
Boston, MA 02116

Akin Gump Strauss Hauer & Feld LLP
Philip C. Dublin
Meredith A. Lahaie
One Bryant Park
New York, NY 10036

After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed a renewed request to receive documents pursuant to Bankruptcy Rule 2002.

F. Term of Injunctions or Stays

Unless otherwise provided in the Plan, the Confirmation Order, or the Confirmation Recognition Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court or the Canadian Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan, the Confirmation Order, or the Confirmation Recognition Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan, the Confirmation Order, or the Confirmation Recognition Order shall remain in full force and effect in accordance with their terms.

G. Plan Supplement

All exhibits and documents included in the Plan Supplement are incorporated into, and are a part of, the Plan as if set forth in full in the Plan, and any reference to the Plan shall mean the Plan and the Plan Supplement. Upon its Filing, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours, at the Bankruptcy Court's website at www.nysb.uscourts.gov, and at the website of the Claims and Solicitation Agent at http://www.kccllc.net/lightsquared. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement (which, for the avoidance of doubt, shall not include the New DIP Order) supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Non-severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall be deemed to provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (1) valid and enforceable pursuant to its terms, (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors, the New Investors and, to the extent

otherwise set forth herein or in the Plan Support Agreement, MAST, and (3) non-severable and mutually dependent.

J. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Plan Proponents shall be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, subsidiaries, members, principals, shareholders, officers, directors, employees, representatives, agents, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals shall be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, shall have no liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

K. Waiver or Estoppel

Each Holder of a Claim or an Equity Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Equity Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

L. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflicts with or is in any way inconsistent with any provision of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall govern and control.

New York, New York
Dated: March 26, 2015

**LIGHTSQUARED INC.,
LIGHTSQUARED LP, AND THE OTHER
DEBTORS IN THE CHAPTER 11 CASES**

/s/ Douglas Smith
Douglas Smith
Chief Executive Officer, President, and
Chairman of the Board of LightSquared Inc.

New York, New York
Dated: March 26, 2015

CENTERBRIDGE PARTNERS, L.P., ON BEHALF OF CERTAIN OF ITS AFFILIATED FUNDS

By: */s/ Jared S. Hendricks*
Name: Jared S. Hendricks
Title: Authorized Signatory

New York, New York
Dated: March 26, 2015

FORTRESS CREDIT OPPORTUNITIES ADVISORS LLC, ON BEHALF OF CERTAIN FUNDS AND/OR ACCOUNTS MANAGED BY IT AND ITS AFFILIATES

By: */s/ Constantine M. Dakolias*
Name: Constantine M. Dakolias
Title: President

New York, New York
Dated: March 26, 2015

HARBINGER CAPITAL PARTNERS LLC

By: */s/ Philip A. Falcone*
Name: Philip A. Falcone
Title: Chief Executive Officer

HGW HOLDING COMPANY, L.P.

By: */s/ Philip A. Falcone*
Name: Philip A. Falcone
Title: Chief Executive Officer

BLUE LINE DZM CORP.

By: */s/ Keith M. Hladek*
Name: Keith M. Hladek
Title: Authorized Signatory

HCP SP INC.

By: */s/ Philip A. Falcone*
Name: Philip A. Falcone
Title: President

Exhibit B

Election Form

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
LIGHTSQUARED INC., *et al.*,	)	Case No. 12-12080 (SCC)
Debtors.[1]	)	Jointly Administered

ELECTION FORM FOR EXISTING LP PREFERRED UNITS (CLASS 11)

You are receiving this election form (the "Election Form") because you are a holder of Existing LP Preferred Units as described in the *Modified Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code*, dated March 26, 2015 [Docket No. 2265] (as amended, supplemented, or modified from time in accordance with the terms thereof, the "Plan").

Please read and follow the enclosed instructions carefully before completing the Election Form. If you have any questions about the contents of the Election Form or the related instructions, please contact counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005-1413, Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq. at (212) 530-5000. Capitalized terms used in this Election Form or the related instructions but not otherwise defined herein have the meanings given to them in the Plan.

PLAN DISTRIBUTION

Pursuant to the Plan, each holder of Existing LP Preferred Units has the option to receive, on account of its Existing LP Preferred Units, Plan Consideration in the form of either (1) New LightSquared Series A-2 Preferred Interests having a liquidation preference equal to such holder's pro rata share of the Existing LP Preferred Units Distribution Amount or (2) New LightSquared Series C Preferred Interests having a liquidation preference equal to such holder's pro rata share of the Existing LP Preferred Units Distribution Amount. Any holder of Existing LP Preferred Units that wishes to receive New LightSquared Series A-2 Preferred Interests rather than New LightSquared Series C Preferred Interests must timely make the election to do so (the "Election"). **If you do not timely make the Election, you will receive New LightSquared Series C Preferred Interests having a liquidation preference equal to your pro rata share of the Existing LP Preferred Units Distribution Amount.**

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[1] The debtors in these Chapter 11 Cases (collectively, "LightSquared" or the "Debtors"), along with the last four digits of each Debtor's federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629), and One Dot Six TVCC Corp. (0040). The location of the Debtors' corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

The terms of the New LightSquared Series A-2 Preferred Interests and New LightSquared Series C Preferred Interests are set forth in the New LightSquared Interest Holders Agreement on file with the Bankruptcy Court.

TIMING OF THE ELECTION

The timing for the Election is separate from voting on the Plan. As we have previously informed you, the deadline to vote on the Plan was February 9, 2015, at 4 p.m. (prevailing Pacific time). The option to make the Election remains open after the voting deadline. To make the Election, this Election Form must be completed, signed, and timely received by LightSquared and each of the New Investors **by April 10, 2015, at 5 p.m. (prevailing Eastern time)** (the "Election Deadline"). If your Election Form is not received by LightSquared and each of the New Investors by the Election Deadline, you shall be deemed to have elected to receive New LightSquared Series C Preferred Interests.

INFORMATION AND INSTRUCTIONS FOR COMPLETING THE ELECTION FORM

In Item 1 of the Election Form, please indicate (a) the number of Existing LP Preferred Units that you own or hold and (b) by checking one of the boxes provided therein, either your acceptance or rejection of the Election. If you choose to accept the Election, you agree to receive New LightSquared Series A-2 Preferred Interests. If you decline the Election, submit your Election Form without any box in Item 1 checked, or fail to timely submit your Election Form, you shall be deemed to have elected to receive New LightSquared Series C Preferred Interests.

Complete the Election Form by providing all of the information requested. Please deliver your Election Form by first class mail, hand delivery, overnight courier to:

the Debtors:

LightSquared Inc.
Attn: General Counsel
10802 Parkridge Boulevard
Reston, VA 20191

Milbank, Tweed, Hadley & McCloy LLP
Matthew S. Barr
Steven Z. Szanzer
Karen Gartenberg
One Chase Manhattan Plaza
New York, NY 10005

With a copy to counsel for each of the New Investors at:

Stroock & Stroock & Lavan LLP
Kristopher Hansen
Jayme T. Goldstein
180 Maiden Lane
New York, NY 10038

Simpson Thacher & Bartlett LLP
Sandeep Qusba
Elisha D. Graff
425 Lexington Avenue
New York, NY 10017

Kasowitz, Benson, Torres & Friedman LLP
David M. Friedman
Adam L. Shiff
1633 Broadway
New York, NY 10019

Fried, Frank, Harris, Shriver & Jacobson LLP
Brad Eric Scheler
Peter B. Siroka
Aaron S. Rothman
One New York Plaza
New York, NY 10004

The method of delivery of Election Forms to be sent to LightSquared and the New Investors is at the election and risk of each holder of Existing LP Preferred Units, but, except as otherwise provided herein, such delivery shall be deemed made only when the executed Election Form is actually received by LightSquared and each of the New Investors.

PLEASE COMPLETE, SIGN, AND DATE THE ELECTION FORM AND RETURN IT PROMPTLY.

The Election Form is not a letter of transmittal and may not be used for any purpose other than making the Election. Accordingly, you should not surrender instruments or certificates representing or evidencing your Equity Interests, and neither LightSquared nor the New Investors shall accept delivery of such instruments or certificates surrendered together with an Election Form.

All Elections are final and may not be withdrawn or revoked without the consent of LightSquared and each of the New Investors. If multiple Election Forms are received by LightSquared and the New Investors from the same holder of Existing LP Preferred Units with respect to the same Existing LP Preferred Units prior to the Election Deadline, the first dated valid Election Form received by LightSquared shall supersede and override any subsequently dated Election Form.

Holders of Existing LP Preferred Units must make the Election for all of their Existing LP Preferred Units. Accordingly, an Election Form that makes the Election for only a portion of such holder's Existing LP Preferred Units shall not be deemed a valid Election.

Unless otherwise ordered by the Bankruptcy Court, all questions as to the validity, form, and eligibility (including time of receipt) of Elections shall be determined by LightSquared and the New Investors, which determination shall be final and binding.

A person signing an Election Form in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the applicable holder of Existing LP Preferred Units or its agent, LightSquared, any of the New Investors, or the Bankruptcy Court, must submit proper evidence to the requesting party demonstrating its authority to so act on behalf of such holder of Existing LP Preferred Units.

Any defects or irregularities in connection with deliveries of Election Forms must be cured prior to the Election Deadline or such Elections shall not be deemed made; provided, however, that LightSquared and the New Investors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Election at any time, either before or after the Election Deadline.

Neither LightSquared, any of the New Investors, nor any other entity shall (a) be under any duty to provide notification of defects or irregularities with respect to delivered Election Forms or (b) incur any liability for failure to provide such notification.

Subject to any contrary order of the Bankruptcy Court, LightSquared and the New Investors reserve the right to reject any and all Elections not in proper form.

The following shall render Elections invalid: (a) any Election Form that is illegible or contains insufficient information to permit the identification of the holder of the Existing LP Preferred Units; (b) any Election Form that contains the Election by a party that does not hold Existing LP Preferred Units that is entitled to make the Election under the Plan; (c) any unsigned Election Form; or (d) any Election Form not marked to accept or reject the Election or any Election Form marked both to accept and reject the Election.

Attachment E

FIG's Fourth Amended and Restated Limited Liability Company Agreement

FOURTH AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
FORTRESS INVESTMENT GROUP LLC

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FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF FORTRESS INVESTMENT GROUP LLC

This FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF FORTRESS INVESTMENT GROUP LLC, is dated as of August 10, 2009. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in Section 1.1.

WHEREAS, the Company was formed under the Delaware Act pursuant to a certificate of formation filed with the Secretary of State of the State of Delaware on November 6, 2006, and a Limited Liability Company Agreement of Fortress Investment Group LLC, dated as of November 6, 2006 (the "Original LLC Agreement");

WHEREAS, the Original LLC Agreement was amended and restated pursuant to an Amended and Restated Limited Liability Company Agreement of Fortress Investment Group Holdings LLC, dated as of January 17, 2007 (the "First A&R LLC Agreement");

WHEREAS, the name of the Company was changed from "Fortress Investment Group Holdings LLC" to "Fortress Investment Group LLC" pursuant to an amendment to the Certificate of Formation filed with the Secretary of State of the State of Delaware on February 1, 2007;

WHEREAS, the First A&R LLC Agreement was amended and restated pursuant to a Second Amended and Restated Limited Liability Company Agreement of Fortress Investment Group LLC, dated as of February 1, 2007 (the "Second A&R LLC Agreement");

WHEREAS, the Second A&R LLC Agreement was amended and restated pursuant to a Third Amended and Restated Limited Liability Company Agreement of Fortress Investment Group LLC, dated as of February 1, 2007 (the "Third A&R LLC Agreement"); and

WHEREAS, the Board of Directors of the Company have authorized and approved an amendment and restatement of the Third A&R LLC Agreement on the terms set forth herein.

NOW THEREFORE, the limited liability company agreement of the Company is hereby amended and restated to read in its entirety as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"**Additional Member**" means a Person admitted as a Member of the Company in accordance with Article III as a result of an issuance of Shares to such Person by the Company.

"**Adjusted Capital Account**" means the Capital Account maintained for each Member as of the end of each fiscal year of the Company, (a) increased by any amounts that such Member is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such fiscal year, are reasonably expected to be allocated to such Member in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such fiscal year, are reasonably expected to be made to such Member in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 4.1(d)(i) or Section 4.1(d)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The "**Adjusted Capital Account**" of a Member in respect of a Share shall be the amount that such Adjusted Capital Account would be if such Share were the only interest in the Company held by such Member from and after the date on which such Share was first issued.

"**Adjusted Property**" means any property the Carrying Value of which has been adjusted pursuant to Section 3.6(d)(i) or Section 3.6(d)(ii).

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person in question. As used herein, the term "**Control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreed Allocation**" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 4.1, including a Curative Allocation (if appropriate to the context in which the term "**Agreed Allocation**" is used).

"**Agreed Value**" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the Board of Directors, without taking into account any liabilities to which such Contributed Property was subject at such time. The Board of Directors shall use such method as it determines to be appropriate to allocate the aggregate Agreed Value of Contributed Properties contributed to the Company in a single or integrated transaction among each separate property on a basis proportional to the fair market value of each Contributed Property.

"**Agreement**" means this Fourth Amended and Restated Limited Liability Company Agreement of Fortress Investment Group LLC, as it may be amended, supplemented or restated from time to time.

"**Board of Directors**" has the meaning assigned to such term in Section 5.1.

"**Book-Tax Disparity**" means, with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date.

"**Business Day**" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

"**Capital Account**" means the capital account maintained for a Member pursuant to Section 3.6. The "**Capital Account**" of a Member in respect of a Share shall be the amount that such Capital Account would be if such Share were the only interest in the Company held by such Member from and after the date on which such Share was first issued.

"**Capital Contribution**" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Member contributes to the Company pursuant to this Agreement.

"**Carrying Value**" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Members' Capital Accounts in respect of such Contributed Property, and (b) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Section 3.6(d)(i) and Section 3.6(d)(ii) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Company properties, as deemed appropriate by the Board of Directors.

"**Certificate**" means a certificate (i) substantially in the form of Exhibit A or Exhibit B to this Agreement, (ii) in global form in accordance with the rules and regulations of the Depositary or (iii) in such other form as may be adopted by the Board of Directors, issued by the Company evidencing ownership of one or more Shares.

"**Certificate of Formation**" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware as referenced in Section 5.21, as such Certificate of Formation may be amended, supplemented or restated from time to time.

"**Chairman of the Board**" has the meaning assigned to such term in Section 5.1.

"**Class A Share**" means a Share in the Company designated as a "Class A Share."

"**Class A Unit**" means a unit of equity interest in a Fortress Operating Group Entity denominated as a "Class A Common Unit," and may consist of interests in a limited partnership, limited liability company or other entity.

" **Class B Share**" means a Share in the Company designated as a "Class B Share."

"**Class B Unit**" means a unit of equity interest in a Fortress Operating Group Entity denominated as a "Class B Common Unit," and may consist of interests in a limited partnership, limited liability company or other entity.

"**Closing Date**" means the first date on which Class A Shares are delivered by the Company to the Underwriters pursuant to the provisions of the Underwriting Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Shares**" means any Shares that are not Preferred Shares, and for the avoidance of doubt includes Class A Shares and Class B Shares.

"**Company**" means Fortress Investment Group LLC, a Delaware limited liability company, and any successors thereto.

"**Company Convertible Securities**" shall have the meaning set forth in Section 2.9(e)

"**Company Exercisable Securities**" shall have the meaning set forth in Section 2.9(e)

"**Company Fund**" means, collectively, all Funds (i) sponsored or promoted by any of the Subsidiaries of the Company, (ii) for which any of the Subsidiaries of the Company acts as a general partner or managing member (or in a similar capacity) or (iii) for which any of the Subsidiaries of the Company acts as an investment adviser or investment manager (other than (x) any Fund that is sub-advised by the Subsidiaries of the Company (or for which the Subsidiaries of the Company have primary investment responsibility over only a minority of the investment portfolio and/or are not primarily responsible for periodic reporting and filings) and for which an unaffiliated third-party acts as the promoter and sponsor, (y) any entity which is a Subsidiary of a Company Fund and (z) any securitization vehicle used by a Company Fund for financing purposes, such as a collateralized debt obligation entity, for which a Subsidiary of the Company acts in either of the capacities identified in clauses (i) or (ii) above or this clause (iii)).

"**Company Group**" means the Company and each Subsidiary of the Company.

"**Company Minimum Gain**" means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(d).

"**Conflicts Committee**" means a committee of the Board of Directors composed of a majority of Independent Directors who are not (a) officers or employees of the Company or any Subsidiary of the Company, (b) directors, officers or employees of any Affiliate of the Company or its Subsidiaries or (c) holders of any ownership interest in the Company Group other than Shares; provided, however, for purposes of clause (c) of this definition, "Company Group" shall not be deemed to include any Company Fund or any Subsidiary of any Company Fund.

"**Consent of Principals**" shall mean the prior written consent of Principals who own a majority of the Outstanding Class B Shares then owned by all Principals. For purposes of this definition, a Class B Share shall be deemed to be owned by its Record Holder, except that, if the Record Holder of any Class B Share is a Permitted Transferee of a Principal, such Principal shall be deemed the Record Holder of such Class B Share.

"Contributed Property" means each property or other asset, in such form as may be permitted by the Delaware Act, but excluding cash, contributed to the Company. Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 3.6(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"**Curative Allocation**" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 4.1(d)(ix).

"**Delaware Act**" means the Delaware Limited Liability Company Act, 6 Del. C. Section 18-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"**Depositary**" means, with respect to any Shares issued in global form, The Depository Trust Company and its successors and permitted assigns.

"**DGCL**" means the General Corporation Law of the State of Delaware, 8 Del. C. Section 101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"**Director**" means a member of the Board of Directors of the Company.

"**Economic Risk of Loss**" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"**Equity Proceeds**" shall have the meaning set forth in Section 2.9.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"**Exchange Agreement**" means one or more exchange agreements providing for the exchange of limited partnership interests (or other securities) issued by certain entities that are Controlled by either FIG or FIG LLC and corresponding Class B Shares for Class A Shares, as contemplated by the Registration Statement.

"**FIG**" means FIG Corp., a Delaware corporation.

"**FIG LLC**" means FIG Asset Co. LLC, a Delaware limited liability company.

"**Fortress Operating Group**" means the Persons directly Controlled by FIG or FIG LLC.

"**Fortress Operating Group Entity**" shall mean any Person that is included in the Fortress Operating Group and shall mean any Operating Entity or Principal Entity.

"**Fund**" means any collective investment vehicle (whether open-ended or closed-ended) including, without limitation, an investment company, a general and limited partnership, a trust and a company organized in any jurisdiction.

"**Governmental Entity**" means any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof.

"**Group Member**" means a member of the Company Group.

"**Group Member Agreement**" means the partnership agreement of any Group Member that is a limited or general partnership, the limited liability company agreement of any Group Member, other than the Company, that is a limited liability company, the certificate of incorporation and bylaws or similar organizational documents of any Group Member that is a corporation, the joint venture agreement or similar governing document of any Group Member that is a joint venture and the governing or organizational or similar documents of any other Group Member that is a Person other than a limited or general partnership, limited liability company, corporation or joint venture, as such may be amended, supplemented or restated from time to time.

"**Indemnified Person**" means (a) any Person who is or was a Director, Officer or tax matters partner of the Company, (b) any Person who is or was serving at the request of the Company as an officer, director, member, manager, partner, tax matters partner, fiduciary or trustee of another Person (including any Subsidiary); provided, that a Person shall not be an Indemnified Person by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services, and (c) any Person the Board of Directors designates as an "Indemnified Person" for purposes of this Agreement.

"**Independent Director**" means a Director who meets the then current independence and other standards required of audit committee members established by the Exchange Act and the rules and regulations of the Commission thereunder and by each National Securities Exchange on which Shares are listed for trading.

"**Initial Members**" means the Principals.

"**Initial Shares**" means the Class A Shares to be sold in the IPO.

"**Investor**" means Nomura Investment Managers U.S.A., Inc., a Japanese corporation.

"**Investor Shareholder Agreement**" means the Shareholder Agreement, dated as of the date hereof, by and between Investor and the Company.

"**IPO**" means the initial offering and sale of Class A Shares to the public, as described in the Registration Statement.

"**Liquidation Date**" means the date on which an event giving rise to the dissolution of the Company occurs.

"**Liquidator**" means one or more Persons selected by the Board of Directors to perform the functions described in Section 8.2 as liquidating trustee of the Company within the meaning of the Delaware Act.

"**Member**" means each member of the Company, including, unless the context otherwise requires, each Initial Member, Investor, each Substitute Member, and each Additional Member.

"**Member Nonrecourse Debt**" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"**Member Nonrecourse Debt Minimum Gain**" has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

"**Member Nonrecourse Deductions**" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Member Nonrecourse Debt.

"**Merger Agreement**" has the meaning assigned to such term in Section 10.1.

"**National Securities Exchange**" means an exchange registered with the Commission under Section 6(a) of the Exchange Act, or the NASDAQ National Market or any successor thereto.

"**Net Agreed Value**" means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Company upon such contribution or to which such property is subject when contributed, and (b) in the case of any property distributed to a Member by the Company, the Company's Carrying Value of such property (as adjusted pursuant to Section 3.6(d)(ii)) at the time such property is distributed, reduced by any indebtedness either assumed by such Member upon such distribution or to which such property is subject at the time of distribution, in either case, as determined under Section 752 of the Code.

"**Net Income**" means, for any taxable year, the excess, if any, of the Company's items of income and gain for such taxable year over the Company's items of loss and deduction for such taxable year. The items included in the calculation of Net Income shall be determined in accordance with Section 3.6(b) and shall not include any items specially allocated under Section 4.1(d).

"**Net Loss**" means, for any taxable year, the excess, if any, of the Company's items of loss and deduction for such taxable year over the Company's items of income and gain for such taxable year. The items included in the calculation of Net Loss shall be determined in accordance with Section 3.6(b) and shall not include any items specially allocated under Section 4.1(d).

"**Nonrecourse Built-in Gain**" means, with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Section 4.2(b)(i)(A), Section 4.2(b)(ii)(A) and Section 4.2(b)(iii) if such properties were disposed of in a taxable transaction in full satisfaction of such Nonrecourse Liabilities and for no other consideration.

"**Nonrecourse Deductions**" means any and all items of loss, deduction, or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

"**Nonrecourse Liability**" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"**Officers**" has the meaning assigned to such term in Section 5.22(a).

"**Operating Entities**" means the Persons directly Controlled by FIG.

"**Opinion of Counsel**" means a written opinion of counsel (who may be regular counsel to the Company or any of its Affiliates) acceptable to the Board of Directors.

"**Option Closing Date**" means the date or dates on which any Class A Shares are sold by the Company to the Underwriters upon exercise of the Over-Allotment Option.

"**Outstanding**" means, with respect to Shares, all Shares that are issued by the Company and reflected as outstanding on the Company's books and records as of the date of determination.

"**Over-Allotment Option**" means the over-allotment option granted to the Underwriters by the Company pursuant to the Underwriting Agreement.

"**Percentage Interest**" means, as of any date of determination, (i) as to any Class A Shares, the product obtained by multiplying (a) 100% less the percentage applicable to the Shares referred to in clause (iii) by (b) the quotient obtained by dividing (x) the number of such Class A Shares by (y) the total number of all Outstanding Class A Shares, (ii) as to any Class B Shares, 0%, and (iii) as to any other Shares, the percentage established for such Shares by the Board of Directors as a part of the issuance of such Shares.

"**Permitted Transferee**" shall mean, with respect to each Principal and his Permitted Transferees (a) such Principal's spouse, (b) a lineal descendant of such Principal's maternal or paternal grandparents, the spouse of any such descendant or a lineal descendant of any such spouse, (c) a Charitable Institution (as defined below), (d) a trustee of a trust (whether inter vivos or testamentary), the current beneficiaries and presumptive remaindermen of which are one or more of such Principal and Persons described in clauses (a) through (c) of this definition, (e) a corporation, limited liability company or partnership, of which all of the outstanding shares of capital stock or interests therein are owned by one or more of such Principal and Persons described in clauses (a) through (d) of this definition; provided, however, that any subsequent transfer of any portion of the ownership of the entity such that it is owned in any part by a Person other than a Principal and/or a Person described in clauses (a) through (d) of this definition, will not be deemed to be to a transfer to a Permitted Transferee, (f) an individual mandated under a qualified domestic relations order, (g) a legal or personal representative of such Principal in the event of his death or Disability (as defined below), (h) any other Principal with respect to transactions contemplated by the Principals Agreement, (i) any other Principal who is then employed by the Company or any of its Affiliates or any Permitted Transferee of such Principal in respect to any transaction not contemplated by the Principals Agreement, and (j) in the case of Mr. Novogratz, MN1 LLC, a Delaware limited liability company. For purpose of this definition: (i) "lineal descendants" shall not include individuals adopted after attaining the age of 18 years and such adopted Person's

descendants; (ii) "Charitable Institution" shall refer to an organization described in section 501(c)(3) of the Code (or any corresponding provision of a future United State Internal Revenue law) which is exempt from income taxation under section 501(a) thereof; (iii) "presumptive remaindermen" shall refer to those Persons entitled to a share of a trust's assets if it were then to terminate; and (iv) "Disability" shall refer to any physical or mental incapacity which prevents a Principal from carrying out all or substantially all of his duties under his employment agreement with the Company in such capacity for any period of one hundred twenty (120) consecutive days or any aggregate period of six (6) months in any 12-month period, as determined by a majority of the members of the Board, including a majority of the Principals who are then members of the Board (but for the sake of clarity not including the Principal in respect of which the determination is being made).

"**Person**" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, Governmental Entity or other entity.

"**Plan of Conversion**" has the meaning assigned to such term in Section 10.1.

"**Preferred Shares**" means a class of Shares that entitles the Record Holders thereof to a preference or priority over the Record Holders of any other class of Shares in (i) the right to share profits or losses or items thereof, (ii) the right to share in Company distributions, or (iii) rights upon dissolution or liquidation of the Company.

"**Prime Rate**" means the prime rate of interest as quoted from time to time by The Wall Street Journal or another source reasonably selected by the Company.

"**Principal Entities**" means the Persons directly Controlled by FIG LLC.

"**Principal Entities Portion**" means, with respect to any Equity Proceeds, a portion of such Equity Proceeds determined by multiplying such Equity Proceeds by a fraction that is equal to the ratio of (i) the aggregate equity value of the Principal Entities at the time such Equity Proceeds are received, to (ii) the aggregate equity value of the Fortress Operating Group Entities at such time, in each case, as determined by the Board of Directors.

"**Principals**" means Peter Briger, Jr., Wesley Edens, Robert Kauffman, Randal Nardone and Michael Novogratz.

"**Principals Agreement**" means the Agreement Among Principals, expected to be entered into by and among the Principals in connection with the IPO.

"**Quarter**" means, unless the context requires otherwise, a fiscal quarter, or, with respect to the first fiscal quarter after the Closing Date, the portion of such fiscal quarter after the Closing Date, of the Company.

"**Recapture Income**" means any gain recognized by the Company (computed without regard to any adjustment required by Section 734 or Section 743 of the Code) upon the disposition of any property or asset of the Company, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"**Record Date**" means the date established by the Company for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Members or entitled to exercise rights in respect of any lawful action of Members or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"**Record Holder**" or "**holder**" means (a) with respect to any Class A Shares, the Person in whose name such Shares are registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, and (b) with respect to any Shares of any other class, the Person in whose name such Shares are registered on the books that the Company has caused to be kept as of the opening of business on such Business Day.

"**Registration Statement**" means the Registration Statement on Form S-1 (Registration No. 333-138514) as it has been or as it may be amended or supplemented from time to time, filed by the Company with the Commission under the Securities Act to register the offering and sale of the Class A Shares in the IPO.

"**Required Allocations**" means (a) any limitation imposed on any allocation of Net Losses under Section 4.1(b) and (b) any allocation of an item of income, gain, loss or deduction pursuant to Sections 4.1(d)(i), 4.1(d)(ii), 4.1(d)(iii), 4.1(d)(vi) or 4.1(d)(viii).

"**Residual Gain**" or "**Residual Loss**" means any item of gain or loss, as the case may be, of the Company recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 4.2(b)(i)(A) or Section 4.2(b)(ii)(A), respectively, to eliminate Book-Tax Disparities.

"**Securities Act**" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

"**Share**" means a share issued by the Company that evidences a Member's rights, powers and duties with respect to the Company pursuant to this Agreement and the Delaware Act. Shares may be Common Shares or Preferred Shares, and may be issued in different classes or series.

"**Share Designation**" has the meaning assigned to such term in Section 3.2(c).

"**Share Majority**" means a majority of the total votes that may be cast in the election of Directors by holders of all Outstanding Voting Shares.

"**Shareholders Agreement**" means the Shareholders Agreement expected to be entered into by and among the Principals and the Company in connection with the IPO.

"**Solicitation Notice**" has the meaning assigned to such term in Section 11.11(c).

"**Special Approval**" means, with respect to any transaction, activity, arrangement or circumstance, that (i) it has been specifically approved by a majority of the members of the Conflicts Committee acting in good faith, or (ii) it complies with any rules or guidelines established by the Conflicts Committee with respect to categories of transactions, activities, arrangements or circumstances that are deemed approved by the Conflicts Committee.

"**Subsidiary**" means, with respect to any Person, as of any date of determination, any other Person as to which such Person owns or otherwise controls, directly or indirectly, more than 50% of the voting shares or other similar interests or a sole general partner interest or managing member or similar interest of such Person.

"**Substitute Member**" means a Person who is admitted as a Member of the Company pursuant to Section 3.5(d) as a result of a transfer of Shares to such Person.

"**Surviving Business Entity**" has the meaning assigned to such term in Section 10.2(b).

"**Tax Matters Partner**" means the "**tax matters partner**" as defined in the Code.

"**transfer**" means, with respect to a Share, a transaction by which the Record Holder of a Share assigns such Share to another Person who is or becomes a Member, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

"**Transfer Agent**" means, with respect to any class of Shares, such bank, trust company or other Person (including the Company or one of its Affiliates) as shall be appointed from time to time by the Company to act as registrar and transfer agent for such class of Shares; provided that if no Transfer Agent is specifically designated for such class of Shares, the Company shall act in such capacity.

"**Trust**" has the meaning assigned to such term in Section 10.3(g).

"**Underwriter**" means each Person named as an underwriter in the Underwriting Agreement who is obligated to purchase Class A Shares pursuant thereto.

"**Underwriting Agreement**" means the Underwriting Agreement expected to be entered into by the Company providing for the sale of Class A Shares in the IPO.

"**Unrealized Gain**" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date (as determined under Section 3.6(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 3.6(d) as of such date).

"**Unrealized Loss**" attributable to any item of Company property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 3.6(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 3.6(d)).

"**U.S. GAAP**" means United States generally accepted accounting principles consistently applied.

"**Voting Shares**" means the Class A Shares, the Class B Shares and any other class of Shares issued after the date of this Agreement that entitles the Record Holder thereof to vote on any matter submitted for consent or approval of Members under this Agreement.

Section 1.2 Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; and (c) the term "**include**" or "**includes**" means includes, without limitation, and "**including**" means including, without limitation.

ARTICLE II

ORGANIZATION

Section 2.1 Formation. The Company has been formed as a limited liability company pursuant to the provisions of the Delaware Act. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Members and the administration, dissolution and termination of the Company shall be governed by the Delaware Act. All Shares shall constitute personal property of the owner thereof for all purposes and a Member has no interest in specific Company property.

Section 2.2 Name. The name of the Company shall be "Fortress Investment Group LLC." The Company's business may be conducted under any other name or names, as determined by the Board of Directors. The words "**Limited Liability Company**," "**LLC**," or similar words or letters shall be included in the Company's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The Board of Directors may change the name of the Company at any time and from time to time and shall notify the Members of such change in the next regular communication to the Members.

Section 2.3 Registered Office; Registered Agent; Principal Office; Other Offices. Unless and until changed by the Board of Directors, the registered office of the Company in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be The Corporation Trust Company. The principal office of the Company shall be located at 1345 Avenue of the Americas, 46th floor, New York, New York 10105 or such other place as the Board of Directors may from time to time designate by notice to the Members. The Company may maintain offices at such other place or places within or outside the State of Delaware as the Board of Directors determines to be necessary or appropriate.

Section 2.4 Purposes. The purposes of the Company shall be to (a) promote, conduct or engage in, directly or indirectly, any business, purpose or activity that lawfully may be conducted by a limited liability company organized pursuant to the Delaware Act, (b) acquire, hold and dispose of interests in any corporation, partnership, joint venture, limited liability company or other entity, including FIG LLC and FIG, and, in connection therewith, to exercise all

of the rights and powers conferred upon the Company with respect to its interests therein, and (c) conduct any and all activities related or incidental to the foregoing purposes; provided, however, that, except pursuant to Section 10.6, the Company shall not engage, directly or indirectly, in any business activity that the Board of Directors determines would cause the Company to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes.

Section 2.5 Powers. The Company shall be empowered to do any and all acts and things necessary and appropriate for the furtherance and accomplishment of the purposes described in Section 2.4, subject to the limitations set forth in Section 2.9.

Section 2.6 Power of Attorney. Each Member hereby constitutes and appoints each of the Chief Executive Officer, each Principal, each President and the Secretary and, if a Liquidator shall have been selected pursuant to Section 8.2, the Liquidator (and any successor to the Liquidator by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(a) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices:

(i) all certificates, documents and other instruments (including this Agreement and the Certificate of Formation and all amendments or restatements hereof or thereof) that the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property;

(ii) all certificates, documents and other instruments that the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement;

(iii) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Board of Directors or the Liquidator determines to be necessary or appropriate to reflect the dissolution, liquidation and termination of the Company pursuant to the terms of this Agreement;

(iv) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Member pursuant to, or other events described in, Articles III or VIII;

(v) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class of Shares issued pursuant to Section 3.2; and

(vi) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Company pursuant to Article X.

(b) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the Board of Directors or the Liquidator determines to be necessary or appropriate to (i) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Members hereunder or is consistent with the terms of this Agreement or (ii) effectuate the terms or intent of this Agreement; provided, that when required by Section 9.2 or any other provision of this Agreement that establishes a percentage of the Members or of the Members of any class or series required to take any action, the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator may exercise the power of attorney made in this Section 2.6(b) only after the necessary vote, consent, approval, agreement or other action of the Members or of the Members of such class or series, as applicable.

Nothing contained in this Section 2.6 shall be construed as authorizing the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator to amend, change or modify this Agreement except in accordance with Article IX or as may be otherwise expressly provided for in this Agreement.

(c) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Member and the transfer of all or any portion of such Member's Shares and shall extend to such Member's heirs, successors, assigns and personal representatives. Each such Member hereby agrees to be bound by any representation made by the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator, acting in good faith pursuant to such power of attorney; and each such Member, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator, taken in good faith under such power of attorney in accordance with Section 2.6. Each Member shall execute and deliver to the Chief Executive Officer, a Principal, a President, the Secretary or the Liquidator, within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as any of such Officers or the Liquidator determines to be necessary or appropriate to effectuate this Agreement and the purposes of the Company.

Section 2.7 Term. The Company's term shall be perpetual, unless and until it is dissolved in accordance with the provisions of Article VIII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation as provided in the Delaware Act.

Section 2.8 Title to Company Assets. Title to Company assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, Director or Officer, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Title to any or all of the Company assets may be held in the name of the Company or one or more nominees, as the Board

of Directors may determine. All Company assets shall be recorded as the property of the Company in its books and records, irrespective of the name in which record title to such Company assets is held.

Section 2.9 Relationship With Fortress Operating Group. Unless the Company receives the Consent of Principals:

(a) The Company and its Subsidiaries (other than the Fortress Operating Group and its Subsidiaries) shall not, directly or indirectly, enter into or conduct any business, or hold any assets other than (i) business conducted and assets held by the Fortress Operating Group and its Subsidiaries, (ii) the ownership, acquisition and disposition of equity interests in Subsidiaries of the Company, (iii) the management of the business of the Fortress Operating Group, either directly or through Subsidiaries, (iv) making loans and incurring indebtedness that is not prohibited under this Section 2.9, (v) the offering, sale, syndication, private placement or public offering of shares, bonds, securities or other interests in compliance with this Section 2.9, (vi) subject to Section 2.9(b), any financing or refinancing of any type related to the Fortress Operating Group, its Subsidiaries or any of their assets or activities, (vii) any activity or transaction contemplated by the Investor Shareholder Agreement, the Shareholders Agreement or the Exchange Agreement, and (viii) such activities as are incidental to the foregoing.

(b) The Company and its Subsidiaries (other than the Fortress Operating Group and its Subsidiaries) shall not incur or guarantee any indebtedness other than (i) indebtedness incurred in connection with an exchange under the Exchange Agreement, and (ii) indebtedness to the Company or any of its Subsidiaries.

(c) The Company and its Subsidiaries (other than the Fortress Operating Group and its Subsidiaries) shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to the Fortress Operating Group) other than equity interests in Subsidiaries permitted under this Section 2.9, loans, debt securities or other evidence of indebtedness permitted under this Section 2.9, and such cash and cash equivalents, bank accounts or similar instruments or accounts as the Board of Directors deems reasonably necessary for the Company and its Subsidiaries to pay their expenses and other liabilities, and carry out their respective responsibilities contemplated under this Agreement.

(d) The Company shall, directly or indirectly through any combination of direct or indirect wholly owned Subsidiaries, maintain at all times ownership of 100% of the outstanding equity interests in FIG and FIG LLC. The Company and its Subsidiaries shall cause FIG and FIG LLC to maintain at all times ownership of, and control the voting of, all outstanding Class A Units in the Fortress Operating Group Entities, and shall not permit any Person (other than FIG, FIG LLC or another direct or indirect wholly owned Subsidiary of the Company) to possess or exercise a right or ability to remove, replace, appoint or elect the general partner of any Fortress Operating Group Entity. The Company and its Subsidiaries (other than the Fortress Operating Group and its Subsidiaries), including FIG and FIG LLC, shall not own any interest in any Person other than (i) the Fortress Operating Group Entities or (ii) a wholly owned Subsidiary that, directly or indirectly through other wholly owned Subsidiaries, owns an interest in the Fortress Operating Group Entities.

(e) If the Company issues any equity securities, including, without limitation, Shares, options, rights, warrants or other securities exercisable to purchase Shares or other equity securities of the Company ("Company Exercisable Securities") or securities convertible into or exchangeable for Shares or other equity securities of the Company ("Company Convertible Securities"), after the date of this Agreement:

(i) The Company shall immediately (x) contribute to FIG LLC a portion of any cash proceeds, assets or other consideration received from the issuance of such securities, if any, and from the exercise of any Company Exercisable Securities, if any, but excluding any Company Convertible Securities surrendered for conversion or exchange (collectively, the "**Equity Proceeds**"), at least equal to the Principal Entities Portion, and (y) contribute to FIG the remaining portion of such Equity Proceeds;

(ii) The Company and its Subsidiaries shall cause FIG LLC to immediately (x) contribute to the Principal Entities (allocated among them in accordance with their relative equity values at the time, as reasonably determined by the Board of Directors) the Principal Entities Portion of the Equity Proceeds received by FIG LLC, and (y) loan to FIG the remaining portion (if any) of the Equity Proceeds received by FIG LLC;

(iii) The Company and its Subsidiaries shall cause FIG to immediately contribute to the Operating Entities (x) the portion of the Equity Proceeds received by FIG, and (y) the portion of the Equity Proceeds loaned to FIG by FIG LLC (allocated among the Operating Entities in accordance with their relative equity values at the time, as reasonably determined by the Board of Directors);

(iv) The Company and its Subsidiaries shall cause each Fortress Operating Group Entity to issue to FIG and FIG LLC, in exchange for the portion of the Equity Proceeds contributed to them, if any (it being understood that such issuance shall occur even if there are no Equity Proceeds), (x) in the case of an issuance of Class A Shares, a number of Class A Units equal to the number of Class A Shares issued, and (y) in the case of an issuance of any other equity securities by the Company, a new class or series of units or other equity securities with designations, preferences and other rights, terms and provisions that are substantially the same as those of such other equity securities issued by the Company (with any dollar amounts adjusted to reflect the portion of the total amount of cash proceeds, assets or other consideration received by the Company that is contributed to the such Fortress Operating Group Entity) equal in number to the number of such other equity securities issued by the Company;

(v) If the Company issues any Company Exercisable Securities, then upon the exercise of any such Company Exercisable Securities, the Company shall cause FIG and FIG LLC to exercise an equal number of the equivalent equity securities that were issued by each of the Fortress Operating Group Entities to FIG or FIG LLC in connection with the original issuance of such Company Exercisable Securities (on the same basis);

(vi) If the Company issues any Company Convertible Securities, then upon the conversion or exchange of such Company Convertible Securities, the Company shall cause FIG and FIG LLC to convert or exchange (as the case may be) an equal number of the equivalent equity securities that were issued by each of the Fortress Operating Group Entities to FIG or FIG LLC in connection with the original issuance of such Company Convertible Securities (on the same basis);

(vii) If the Company issues any equity securities that are subject to vesting or forfeiture provisions, then the equivalent equity securities that are issued by the Fortress Operating Group Entities to FIG and FIG LLC in connection with the issuance of such Company equity securities shall be subject to vesting or forfeiture on the same basis, and if any of the Company equity securities vest or are forfeited, an equal number of the equivalent equity securities issued by each of the Fortress Operating Group Entities shall automatically vest or be forfeited; and

(viii) If the Company issues any equity securities that, in accordance with their terms, are subject to redemption, then upon the redemption of such Company equity securities, the Company shall cause each of the Fortress Operating Group Entities to redeem an equal number of the equivalent equity securities that were issued to FIG or FIG LLC in connection with the original issuance of such Company equity securities (on the same basis).

(f) The Company and its Subsidiaries (other than a Fortress Operating Group Entity or one of its Subsidiaries) shall not contribute cash or other assets to the Fortress Operating Group Entities that are not Equity Proceeds; *provided, however,* that if the Consent of Principals has been obtained with respect to such a contribution, unless such Consent of Principals specifies an alternative structure, (i) such contribution shall be made concurrently with a contribution to each of the other Fortress Operating Group Entities in accordance with Section 2.9 (h), (ii) in lieu of the Fortress Operating Group Entities issuing any equity securities in exchange for such contribution, the Company and its Subsidiaries shall cause each of such Fortress Operating Group Entities to concurrently effect a combination of their outstanding Class B Units such that, after giving effect to such combination, the aggregate number of outstanding Class B Units is equal to the product of (1) the number of Class B Units outstanding immediately prior to giving effect to such combination and (2) a fraction, (x) the numerator of which is the number of Class A Units that such Fortress Operating Group Entity has outstanding immediately prior to such contribution, and (y) the denominator of which is the sum of (1) the number of Class A Units outstanding immediately prior to such contribution, and (2) a number of Class A Units that have an aggregate value equal to the aggregate value of the cash or other assets contributed, and (iii) concurrently with the combination of Class B Units described in clause (ii), the Company shall effect a combination of Class B Shares in the same ratio as such combination of Class B Units; *provided, further,* that, for purposes of determining the value of Class A Units, the aggregate value of one Class A Unit in each of the Fortress Operating Group Entities shall be deemed to equal the

fair market value of a Class A Share on the date of such contribution, which shall be (i) the closing price of a Class A Share on the New York Stock Exchange on the trading day immediately prior to the date of such contribution, or (ii) if the Board of Directors determines otherwise, another value reasonably determined by the Board of Directors.

(g) Except as provided in Section 2.9(f), (i) the Company shall not (w) effect a split or subdivision of its Class A Shares or Class B Shares, (x) effect a reverse share split or combination of its Class A Shares or Class B Shares, (y) make a pro rata distribution of its Class A Shares or Class B Shares to the respective holders of such class of shares, or (z) effect any other recapitalization or reclassification of its Class A Shares or Class B Shares, and (ii) the Company shall not permit any Fortress Operating Group Entity to (w) effect a split or subdivision of its Class A Units or Class B Units, (x) effect a reverse share split or combination of its Class A Units or Class B Units, (y) make a pro rata distribution of its Class A Units or Class B Units to the respective holders of such class of units, or (z) effect any other recapitalization or reclassification of its Class A Units or Class B Units, unless, in each case, similar transactions are effected concurrently with respect to both the Class A Shares and Class B Shares of the Company, and the Class A Units and Class B Units of each Fortress Operating Group Entity such that, after giving effect to such transactions, (1) the ratio of outstanding Class A Shares to outstanding Class B Shares is maintained, (2) the ratio of outstanding Class A Units to outstanding Class B Units is maintained for each Fortress Operating Group Entity, (3) the Company has the same number of Class A Shares outstanding as each Fortress Operating Group Entity has Class A Units outstanding, and (4) the Company has the same number of Class B Shares outstanding as each Fortress Operating Group Entity has Class B Units outstanding.

(h) The Company and its Subsidiaries (excluding the Fortress Operating Group Entities and their Subsidiaries) shall not make any capital contribution to any Fortress Operating Group Entity unless a capital contribution is concurrently made to all of the Fortress Operating Group Entities and the value of the capital contributions to all Fortress Operating Group Entities are proportional to their relative equity values at the time, as reasonably determined by the Board of Directors; *provided, however,* that the contribution to each Fortress Operating Group Entity may consist of a different type of asset.

(i) The Company shall not permit any Fortress Operating Group Entity to issue any equity securities to the Company or any of its Subsidiaries (excluding the Fortress Operating Group Entities and their Subsidiaries) unless each other Fortress Operating Group Entity concurrently issues to the Company and its Subsidiaries (excluding the Fortress Operating Group Entities and their Subsidiaries) equity securities that are equal in number to, and have substantially the same terms and provisions as, the equity securities issued by such Fortress Operating Group Entity. Nothing in this Section shall preclude the issuance of units by any Fortress Operating Group Entity or its Subsidiary to another Fortress Operating Group Entity or its Subsidiary in exchange for cash or other assets.

(j) The Company shall cause the Fortress Operating Group Entities to establish record dates for the payment of distributions that coincide with the Record Dates for distributions paid by the Company or, if a record date is not established for the payment of distributions by a Fortress Operating Group Entity, the Company shall cause such Fortress Operating Group Entity to pay distributions on the Record Date for distributions paid by the Company.

(k) If, as a result of an exchange pursuant to the Exchange Agreement, the Company or any of its Subsidiaries acquires any Class B Units issued by the Fortress Operating Group Entities, the Company and its Subsidiaries shall cause all such Class B Units to be converted into an equal number of Class A Units issued by the Fortress Operating Group Entities.

(l) The Company shall not permit the Fortress Operating Group Entities to repurchase or redeem any equity securities from the Company or any of its Subsidiaries (excluding the Fortress Operating Group Entities and their Subsidiaries) except pursuant to Section 2.9(e)(viii).

ARTICLE III

MEMBERS AND SHARES

Section 3.1 Members.

(a) A Person shall be admitted as a Member and shall become bound by the terms of this Agreement if such Person purchases or otherwise lawfully acquires any Share and becomes the Record Holder of such Share in accordance with the provisions of Article IV hereof. A Person may become a Record Holder without the consent or approval of any of the Members. A Person may not become a Member without acquiring a Share.

(b) The name and mailing address of each Member shall be listed on the books and records of the Company maintained for such purpose by the Company or the Transfer Agent. The Secretary of the Company shall update the books and records of the Company from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable).

(c) Except as otherwise provided in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

(d) Subject to Articles X and XI, Members may not be expelled from or removed as Members of the Company. Members shall not have any right to withdraw from the Company; provided, that when a transferee of a Member's Shares becomes a Record Holder of such Shares, such transferring Member shall cease to be a member of the Company with respect to the Shares so transferred.

(e) Except to the extent expressly provided in this Agreement (including any Share Designation): (i) no Member shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon dissolution of the Company may be considered as such by law and then only to the extent